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STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

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Senate Bills 1235-39 (As Introduced)

Topic: Outsourcing
Sponsor: Senators Leland, Switalski, Cherry, Brater, and Prusi
Co-sponsors: Senators Clarke, Scott, Olshove, Basham, Thomas, Clark-Coleman, Whitmer, Schauer, Barcia, Jacobs, and Emerson
Committee: Economic Development, Small Business and Regulatory Reform
Date Introduced: May 2, 2006
Date of Summary: May 3, 2006

The bills deal with issues related to outsourcing.

Senate Bill 1235 amends Public Act 232 of 1919 requires the Attorney General to conduct an investigation if there is reason to believe that a single employer may outsource 100 or more jobs from Michigan in a 12-month period. The Attorney General is required to ascertain whether the employer is complying with federal and state laws, including any notice requirements and payments of assessments due under the Michigan Employment Security Act. Appropriate action is required to be instituted to protect the state's interests as the results of the investigation warrant, including repayment of credit under Section 8 of the Michigan Economic Growth Authority Act. The bill is tie-barred to Senate Bill 1240.

Senate Bill 1236 is entitled the Workforce Adjustment and Reduction Notification Act. The bill requires at least 60 days written notice of a mass layoff, relocation, or termination at a covered establishment. "Covered establishment" is defined as an industrial or commercial facility or part of such a facility that employs or has employed within the preceding 12 months 75 or more. "Mass layoff" and "relocation" are defined in terms of actions affecting 50 or more employees in any 30-day period. Failure to provide the proper notice subjects the employer to certain obligations, including back pay for 60 days and the monetary value of 60 days of benefits. Obligations can be reduced by certain wages paid to workers, voluntary and unconditional payments made to the employee by the employer, and payments made by the employer to a third party or trustee on behalf of the employee. An employer who fails to give notice is also subject to a civil fine of \$1,500 for each affected worker for each day of violation. The bill provides for several exceptions, including seasonal employment, war or natural disaster, and, in some cases, a situation where an employer seeking capital or business feared that a notice would prevent success in that endeavor. The Department of Labor & Economic Growth would have authority to enforce the requirements. Any person would be permitted to bring a civil action to enforce the requirements.

Senate Bill 1237 is entitled the Outsourced Worker's Emergency Assistance Act. The bill would make 12-month interest-free loans available to qualified outsourced workers. The amounts available under the bill are \$6,000 for home mortgage payments and \$2,400 for one vehicle. The Michigan State Housing Development Authority is charged with administering the loan program. "Qualified outsourced worker" means an "adversely affected worker" as defined in federal law.

Senate Bill 1238 amends the Management and Budget Act to provide for consideration of the amount of outsourcing in bids submitted under state contracts.

Senate Bill 1239 amends the Business Corporation Act by requiring an annual outsourced worker summary from each corporation and the posting on the Corporation Division's Website of the information provided. The department is required to provide an annual report on the impact of outsourcing on the Michigan economy to the legislative committees with jurisdiction over labor issues. "Outsourced worker" means an "adversely affected worker" as defined in federal law.